

New income guidelines take effect with your July coverage

Every spring, the federal government publishes new federal income guidelines that are the basis for determining Basic Health (BH) monthly premiums. BH uses these guidelines when determining eligibility and your share of the monthly cost for BH coverage.

As a result of this new scale, your enclosed billing statement for July coverage may show a different premium.

If your income or family size changes at any time, and affects the income band you fall within, you must let BH know. Each month, the income we have on record for you is shown on your billing statement. Be sure to check that information, and compare it to the income guidelines shown below to determine if you need to report an income change.

Income Table								Income Band
Number of Persons in Family								
Gross Monthly Income	1	2	3	4	5	6	7	
	\$0 - \$504.29	\$0 - \$676.54	\$0 - \$848.79	\$0 - \$1,021.04	\$0 - \$1,193.29	\$0 - \$1,365.54	\$0 - \$1,537.79	A
	504.30 - 775.83	676.55 - 1,040.83	848.80 - 1,305.83	1,021.05 - 1,570.83	1,193.30 - 1,835.83	1,365.55 - 2,100.83	1,537.80 - 2,365.83	B
	775.84 - 969.79	1,040.84 - 1,301.04	1,305.84 - 1,632.29	1,570.84 - 1,963.54	1,835.84 - 2,294.79	2,100.84 - 2,626.04	2,365.84 - 2,957.29	C
	969.80 - 1,086.16	1,301.05 - 1,457.16	1,632.30 - 1,828.16	1,963.55 - 2,199.16	2,294.80 - 2,570.16	2,626.05 - 2,941.16	2,957.30 - 3,312.16	D
	1,086.17 - 1,202.54	1,457.17 - 1,613.29	1,828.17 - 2,024.04	2,199.17 - 2,434.79	2,570.17 - 2,845.54	2,941.17 - 3,256.29	3,312.17 - 3,667.04	E
	1,202.55 - 1,318.91	1,613.30 - 1,769.41	2,024.05 - 2,219.91	2,434.80 - 2,670.41	2,845.55 - 3,120.91	3,256.30 - 3,571.41	3,667.05 - 4,021.91	F
	1,318.92 - 1,435.29	1,769.42 - 1,925.54	2,219.92 - 2,415.79	2,670.42 - 2,906.04	3,120.92 - 3,396.29	3,571.42 - 3,886.54	4,021.92 - 4,376.79	G
	1,435.30 - 1,551.74	1,925.55 - 2,081.77	2,415.80 - 2,611.79	2,906.05 - 3,141.82	3,396.30 - 3,671.85	3,886.55 - 4,201.87	4,376.80 - 4,731.90	H

Effective July 1, 2004 - June 30, 2005

Figuring your monthly income

At least once a year, Basic Health (BH) will check your income to make sure you still qualify for the program. Your income is also used to determine how much you pay each month for BH coverage. To do this, we require current pay stubs and a copy of the most recent year's IRS Form 1040 with all tax schedules. We will look at the income from both sources, and use the one that gives us the most accurate picture of your income. If you do not work year-round, we would normally use your 1040 to find an average monthly income. If your job has changed since you filed your last 1040, we would use your current pay stubs. If you've had a change in circumstances, please include a note telling us what has changed.

Providing false information

Whenever BH asks you for updated information or if your information changes, you must provide BH with correct information. You must not withhold information that you know must be reported to BH or provide false information on any document submitted to BH. If we find that you withheld or gave false information on purpose, we can require you to re-pay up to twice the amount the state paid for your coverage. You can also be disenrolled from BH, prosecuted for perjury, and billed for any medical services you received through BH.

Changes to income and residency guidelines

In October 2003, we made the following changes in residency requirements and the way your income is calculated:

- Self-employment deductions are not allowed for non cash-flow items such as depreciation, amortization, or business use of the home.
- A business loss is counted as zero rather than a negative amount.
- Dependent and childcare expenses may be deducted if you and your spouse (if any) are working or attending school.
- A 12-month average is used for gambling income, lump-sum payments, and net income from capital gains.
- Persons who leave the state with no intent to return or who are out of the state for more than three consecutive months are not eligible to continue their BH coverage. An exception to this allows dependent children who attend school out of state to continue their BH coverage as long as their residence is still in Washington and they return during breaks.

Below are some tips to help you respond to our requests on time.

- Now that April 15 has passed, make an extra copy of your 2003 federal income tax form and all schedules filed with it.
- If you are in a partnership, or a shareholder in an S-Corporation, keep a copy of your business income tax return, including all schedules filed with it. You must also keep a copy of your Schedules K-1.

BH will verify your income and eligibility at least once a year, and you will need to provide copies of these documents if your income or family size changes (for example, if you marry, divorce, add a child to your account, or change jobs).

This serves as official notice of changes to your Basic Health coverage, and is an addendum to your *Member Handbook*.

To obtain this document in another format (such as Braille or audio), call our Americans with Disabilities Act (ADA) Coordinator at 360-923-2805. TTY users (deaf, hard of hearing, or speech impaired), call 360-923-2701 or toll-free 1-888-923-5622.